

ROBINSON, BOESE, ORBISON & LEWIS

A PROFESSIONAL CORPORATION

ATTORNEYS-AT-LAW

BANK OF OKLAHOMA TOWER

SUITE 1500

P. O. BOX 1046

TULSA, OKLAHOMA 74101

918-583-1232

OF COUNSEL
JAMES A. ROBINSON

R. L. DAVIDSON, JR.

1914-1979

TELECOPIER

918-583-1549

JAMES S. BOESE
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KENNETH M. SMITH
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JANET S. DUMONT
BEVERLY A. STEWART
CATHARINE M. BASHAW
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RECORDATION NO. 154174
FILED 1425

MAR 24 1989 - 11 20 AM

INTERSTATE COMMERCE COMMISSION

March 20, 1989

9-083A008

Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

Attn: Mildred Lee, Room 2303

Re: Sand Springs Railway Company/Mortgage and Security
Agreement

Dear Ms. Lee:

Please find enclosed two originals and two copies of the above referenced Mortgage and Security Agreement dated December 10, 1987, executed by Sand Springs Railway Company and Bank of Oklahoma, National Association, to be recorded in your office. We have provided a check in the amount of \$13.00 to cover the requisite filing fee, together with a self addressed stamped envelope for your convenience in returning file stamped documents.

If you have questions or need further information regarding any of the above, please do not hesitate to call the undersigned collect.

Very truly yours,

ROBINSON, BOESE, ORBISON & LEWIS


Jan Dumont

Enclosures

724SSRC-L2

MAR 24 11 09 AM '89
MOTOR OPERATING UNIT

Interstate Commerce Commission
Washington, D.C. 20423

3/27/89

OFFICE OF THE SECRETARY

Jan Dumont
Robinson, Boese, Orbinson & Lewis
Bank Of Okla. Tower Suite 1500
P.O.Box 1046
Tulsa, Oklahoma 74101

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/24/89 at 11:20am , and assigned recordation number(s). 15417-A

Sincerely yours,

Narta L. McLee

Secretary

Enclosure(s)

Return to:
ROBINSON, BOESE, ORBISON & LEWIS
P. O. Box 1046
Tulsa, Oklahoma 74101

RECORDATION NO

FILED 1425

MAR 24 1989 -11 20 AM

REAL ESTATE MORTGAGE
AND
SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS INDENTURE made and entered into this 10th day of December, 1987, by and between SAND SPRINGS RAILWAY COMPANY, an Oklahoma corporation (hereinafter called "Mortgagor"), whose address is c/o Sheffield Steel Corporation, P. O. Box 218, Sand Springs, Oklahoma 74063 and BANK OF OKLAHOMA, NATIONAL ASSOCIATION, a national banking association (hereinafter called "Mortgagee"), whose address is Bank of Oklahoma Tower, One Williams Center, Tulsa, Oklahoma 74172.

W I T N E S S E T H T H A T:

Mortgagor, in consideration of the sum of One Dollar (\$1.00) and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of securing the payment of the indebtedness hereinafter described and all extensions, renewals, substitutions and changes in form thereof, together with all interest, charges and fees thereon, does by these presents grant, bargain, sell, convey and mortgage unto Mortgagee and grant a security interest unto Mortgagee in and to Mortgagor's right, title and interest in and to the property described within Exhibit "A" attached hereto and made a part hereof (hereinafter called the "Property").

TO HAVE AND TO HOLD AND GRANT A SECURITY INTEREST UNTO MORTGAGEE IN: (a) the Property, together with all and singular the easements, tenements and hereditaments now or hereafter appertaining or belonging or in any manner appurtenant thereunto, (b) all property situated upon or used or useful in the operation of, or in connection with, the railroad located upon the Property including, but not limited to: (i) both ground and superstructure, depot grounds, buildings, machine houses, power houses, turntables, structures and improvements now or hereafter erected or placed on the Property, as well as rails, ties, spikes, and other articles designed to be attached to the ground or already firmly affixed thereto, whether now owned or hereafter acquired, (ii) all materials, parts, supplies, fixtures and equipment of every kind or character including, but not limited to rolling stock, fuel, oil, platform scales, planing mills, loose tools and implements, and all other articles not constituting a part of the roadbed or firmly fixed to the land, whether now owned or hereafter acquired by the Mortgagor, and (iii) replacements and substitutions for any of the foregoing; (c) all of Mortgagor's right-of-way and easement agreements; and (d) all funds, accounts, instruments, documents, notes, chattel paper and proceeds arising from or by virtue of any of the foregoing. All of the foregoing as described in (b) through (d)

above is referred to as the "Security Property". The Security Property together with the Property is the "Collateral".

This Indenture is executed, acknowledged and delivered as a Mortgage to secure payment and performance of the following described indebtedness and obligations of Mortgagor (the "Secured Indebtedness"):

(a) The principal sum of Three Million Five Hundred Ten Thousand Dollars (\$3,510,000) with interest thereon, both principal and interest being evidenced by and payable according to the terms of that certain Promissory Note, dated of even date herewith, maturing on November 30, 1997, and executed and delivered by Mortgagor to Mortgagee in consideration of the loan of said principal sum, together with any and all extensions, renewals, substitutions and changes in form of said Note, and together with all future advances to Mortgagor and other indebtedness, liabilities and obligations of Mortgagor to Mortgagee, actual, direct or contingent, now existing or hereafter arising, howsoever created, held or acquired by Mortgagee whether in the usual course of business or otherwise (all of which are hereinafter collectively referred to as the "Note");

(b) The covenants and obligations of Mortgagor set forth in that certain Credit Agreement, of even date herewith, between Mortgagor and Mortgagee and all amendments and supplements thereto ("Credit Agreement");

(c) Any and all sums which Mortgagee may expend or obligate itself to expend to cure any breach or default of Mortgagor under this Mortgage, together with interest on all such sums from the respective dates upon which Mortgagee may expend, or become obligated to expend, the same at the default rate specified in the Note;

(d) The covenants and obligations of Mortgagor herein contained; and

(e) Any and all amounts which Mortgagee may expend or become obligated to expend in collecting the indebtedness secured hereby, in foreclosing the lien of this Mortgage or in exercising or attempting to exercise any right or remedy hereunder or with respect hereto consequent upon any default of Mortgagor hereunder, including, but not limited to, attorneys' fees as provided in the Note, court costs, expenses incurred for supplemental or additional abstracts, receivers', appraisers' and watchmen's fees and other expenses reasonably incurred to protect and preserve the Collateral or in maintaining the priority of this Mortgage, together with interest on all such sums from the respective dates upon which Mortgagee may expend, or become obligated

to expend, the same at the default rate specified in the Note.

FOR THE SAME CONSIDERATIONS, Mortgagor hereby represents, warrants, covenants and agrees to and with Mortgagee as follows:

1. Warranties of Title. Mortgagor is the lawful owner of and in possession of the Collateral, free and clear of all encumbrances of every nature and kind whatsoever, except as described on Exhibit "B" attached hereto. Mortgagor has good right and title and authority to sell, convey, mortgage, encumber and create a mortgage lien on and security interest in and to the Collateral. Mortgagor will make any further assurances of title that Mortgagee may require and will WARRANT AND DEFEND the same unto Mortgagee, its successors and assigns, forever, against the lawful claims and demands of all persons whomsoever. Unless the Mortgagee shall first give its written consent thereto, the Mortgagor will not surrender, abandon, sell, convey, assign or otherwise dispose of, or lease, any of the Collateral and will not remove or permit to be removed any of the Security Property from the Property. The Mortgagor will keep the Collateral at all times free, clear and discharged from all liens, security interests, charges, encumbrances or assessments (other than the lien and security interest created by this instrument) unless the Mortgagee shall have given its written consent thereto. The Mortgagor shall promptly pay or cause to be paid all laborers and materialmen furnishing labor or material to the Collateral, but nothing herein shall be deemed a waiver of the priority hereof as against the claims of any such laborer or materialman or to give any such laborer or materialman any rights hereunder or any right of action upon this covenant.

2. Corporate Existence. The Mortgagor will preserve its corporate existence in good standing, will maintain in good standing its right to transact business in the state or states wherein the Collateral is situated and will timely pay all franchise taxes and other fees in connection therewith. Unless the holder of the Note shall first give its written consent thereto, the Mortgagor will not merge or consolidate with any other corporation.

3. Corporate Authority. The ownership by the Mortgagor of the Collateral and the execution and delivery of this Mortgage and the Note and compliance with the provisions hereof and thereof will not contravene any requirement of law or any provision of the Certificate of Incorporation or bylaws of the Mortgagor nor contravene or result in the breach or termination of, or constitute a default under, or result in the creation of any lien, charge or encumbrance upon, any of the Mortgagor's properties or assets pursuant to any indenture or other agreement or instrument to which the Mortgagor's is a party or by which it or its property may be bound or affected.

4. Payment of Secured Indebtedness. Mortgagor agrees to pay all of the Secured Indebtedness and each separate item or installment thereof as and when the same shall become due and payable, whether by extension, acceleration or otherwise.

5. Insurance. The Mortgagor will at all times keep or cause to be kept such of the Collateral as is of an insurable nature insured against loss or damage by fire, tornado and such other casualties as are usually insured against to the extent that insurance can be obtained thereon in companies and amounts and with loss payable clauses acceptable to the Mortgagee, and on demand of the Mortgagee will deliver such policies to the Mortgagee. In the event of any damage or loss of any kind to any of the Collateral resulting from any cause whatever, such damage or loss shall be repaired or remedied forthwith unless the same is unnecessary to the protection or preservation of the Collateral. The Mortgagor will also maintain or cause to be maintained such liability, property damage and other insurance as is usually maintained by companies operating properties similar to the Collateral as may reasonably be requested from time to time by the Mortgagee.

6. Taxes. Mortgagor will pay, before same become delinquent or any penalty attaches thereto for nonpayment, all taxes, assessments and charges, general or special, of every nature and to whomsoever assessed, that may be now or hereafter levied or assessed under any law now existing or hereafter enacted, upon the Collateral or any part thereof, upon the rents, issues, income or profits thereof, or upon the Secured Indebtedness, whether any or all of said taxes, assessments or charges be levied directly or indirectly or as excise taxes or as income taxes, except federal and state income taxes imposed under the laws of the United States of America and the State of Oklahoma, and except the mortgage tax provided by the laws of the State of Oklahoma. Mortgagor will not suffer or permit any liens, security interests, levy, attachment or other encumbrance to become effective, or to be asserted, against any of the Collateral, and will regularly and promptly submit to Mortgagee such evidence of the due and punctual payment of such taxes, assessments or charges as Mortgagee may require. The foregoing notwithstanding, Mortgagor may in good faith contest, by a proper legal proceeding, the validity or amount of any such taxes, assessments or charges, provided Mortgagor deposits with Mortgagee as security for payment of such contested taxes, assessments or charges an amount equal thereto, plus interest and penalties, and further provided that Mortgagor will pay such contested item and all costs and penalties, if any, at least thirty (30) days before the date the Collateral may be sold by the taxing authorities because of nonpayment of said taxes, assessments or charges. Upon violation of the foregoing undertaking in any part, or upon the passage by the State of Oklahoma of any law imposing payment of the whole or any part of

the aforesaid taxes or assessments upon Mortgagee, or deducting from the value of the Collateral for the purpose of taxation any liens thereon, or changing in any way the laws now in force for the taxation of mortgages or debts secured by mortgage for state or local purposes, or the manner of the collection of any such taxes so as to affect this Mortgage, or upon the rendering by any court of competent jurisdiction of a decision holding that any undertaking by Mortgagor to pay such taxes or assessments, or any of them, or any similar undertaking, is in whole or in part legally inoperative or void, then in such event, the Secured Indebtedness will, at the option of Mortgagee, without notice to any party, become immediately mature, due and payable, notwithstanding anything contained in this Mortgage or in any law hereinafter enacted.

7. Maintenance. At all times during the term of this Mortgage, Mortgagor will:

(a) Keep the Collateral in as good order, condition and repair as it is on the date hereof;

(b) Not commit, permit or suffer any waste, impairment or deterioration of the Collateral or any part thereof, ordinary wear and tear excepted;

(c) Comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Collateral or the use thereof, and will not suffer or permit any violation thereof;

(d) Not remove or demolish or alter the design or structural character of the Security Property or any building now or hereafter erected upon the Property unless Mortgagee shall first consent thereto in writing;

(e) Not remove without Mortgagee's written consent any of the Security Property;

(f) Keep the Collateral free from all judgments, mechanics' liens and all other statutory liens of whatsoever nature to the end that the priority of this Mortgage may, at all times, be maintained;

(g) Allow Mortgagee to examine and inspect the Collateral at any reasonable time or times; and

(h) Pay Mortgagee within ten (10) days all sums, including costs, expenses and reasonable agents' and attorneys' fees, it may expend or for which it may become obligated in any proceedings, legal or otherwise, to establish and sustain the lien of this Mortgage or its priority or in defending against any liens, claims, rights,

estates, easements or restrictions of any person or persons asserting priority thereto.

8. Abstract. Mortgagor will, upon demand by Mortgagee, but at Mortgagor's expense, furnish Mortgagee an abstract of title to the Property certified by a reputable abstracter from Government to the date of such demand.

9. Inspection of Records. Throughout the term of this Mortgage, Mortgagor will keep and maintain complete, adequate and correct books, records, ledgers and journals indicating the time of receipt and the amount of all moneys received by Mortgagor with respect to the Collateral. In addition, Mortgagor will permit Mortgagee, its employees and agents, to audit, examine and inspect the same during regular hours of business as often as Mortgagee shall desire and shall promptly furnish to Mortgagee such financial and other reports concerning the operation of the Collateral as the Mortgagee may reasonably request.

10. Protection of Security. If Mortgagor fails to pay and discharge any claim, lien or encumbrance upon the Collateral or any tax, assessment or like charge that becomes due and delinquent with respect to the Collateral, or any insurance premium due hereunder, or fails to remove any cloud upon the title to the Collateral, or to keep the same in good repair, or if Mortgagor otherwise fails to keep, observe, comply with or perform any of the terms, provisions or covenants of this Mortgage, Mortgagee may, at its option, pay any claim, lien, encumbrance, tax, assessment, insurance premium or other amount due, take action to remove any cloud upon Mortgagor's title, repair any waste or damage to the Collateral, or otherwise cure any default by Mortgagor, and may take any step it deems advisable to preserve and protect the Collateral, and, in connection with any of the foregoing, Mortgagee may commence or appear in any action and retain counsel therein, and advance such moneys or incur obligations to pay moneys as Mortgagee deems necessary. In making such payments, Mortgagee will be deemed to be acting as Mortgagor's agent in every particular, and any such action by Mortgagee will not be construed or held to be a waiver of default in the terms of this Mortgage or to prevent Mortgagee from declaring the entire Secured Indebtedness due and payable and foreclosing this Mortgage, whether such payment be made prior or subsequent to the exercise of the option to declare the Secured Indebtedness due, and foreclose this Mortgage as herein provided. Mortgagee will be the sole judge of the legality, validity and priority of any such cloud, claim, lien, encumbrance, tax, assessment or premium and of the amount or amounts necessary to be paid in satisfaction thereof or to otherwise cure any default of Mortgagor, provided that in exercising such judgment Mortgagee will exercise reasonable business judgment. All sums expended by Mortgagee in connection with any of the foregoing will bear interest at the default rate

specified in the Note from the respective dates upon which Mortgagee expends, or becomes obligated to expend, the same, will be payable by Mortgagor on demand by Mortgagee, and will constitute Secured Indebtedness under the terms of this Mortgage. Advances or expenditures of funds by Mortgagee pursuant to this paragraph will not be deemed to relieve Mortgagor from any default hereunder or to impair any right or remedy existing by virtue of any such default. The exercise of Mortgagee's rights to make such advances and expenditures granted in this paragraph will be optional with Mortgagee and not obligatory and Mortgagee will not, in any case, be liable to Mortgagor for a failure by Mortgagee to exercise any such rights.

11. Eminent Domain. All awards heretofore or hereafter made by any public or quasi-public authority to the present or any future owner of the Collateral by virtue of an exercise of the right of eminent domain by such authority, are hereby assigned to Mortgagee. Mortgagee, at its option, is hereby authorized and empowered to collect and receive the proceeds of any such award or awards from the authorities making the same and to give proper receipts and acquittances therefor, and may, at Mortgagee's option, (i) apply such proceeds or any part thereof upon the Secured Indebtedness, including unmatured portions thereof, (ii) use such proceeds or any part thereof to fulfill and satisfy any covenants enjoined upon Mortgagor herein, (iii) use such proceeds or any part thereof to replace or restore the Collateral to a condition satisfactory to Mortgagee, or (iv) release such proceeds to Mortgagor. Mortgagor covenants and agrees to and with Mortgagee, upon request by Mortgagee, to make, execute and deliver any and all assignments and other instruments required for the purpose of assigning all such awards to the Mortgagee free, clear and discharged of any and all encumbrances of any kind or nature whatsoever.

12. Security Agreement. This Indenture shall constitute a Security Agreement under the Uniform Commercial Code of the State of Oklahoma with respect to all of the Security Property. Mortgagor will, from time to time and as often as requested by Mortgagee, execute and deliver to Mortgagee such financing statements and such other and supplemental security agreements as Mortgagee may reasonably request to perfect the security interest created, or intended to be created, hereby and to more specifically identify the collateral subject to such security interest. No failure or omission of Mortgagee to request any financing statement or additional or supplemental security agreement, and no failure or omission of Mortgagor to execute or deliver any thereof, will impair the effectiveness or priority of the security interest created by this Mortgage. Mortgagor will pay all costs of filing this Mortgage and any financing statements, continuation or termination statements with respect thereto and any affidavits or other instruments executed, or to be executed, to perfect, renew, continue or maintain the lien and

security interest created hereby. Mortgagor hereby appoints Mortgagee as the agent and attorney-in-fact of Mortgagor to do, at Mortgagee's option and Mortgagor's expense, all acts and things reasonably necessary to perfect, and continue perfected, the lien and security interest created, or intended to be created, hereby.

13. Notice of Changes. Mortgagor shall give advance notice in writing to Mortgagee of any proposed change in Mortgagor's name, identity or structure and shall execute and deliver to Mortgagee, prior to or concurrently with the occurrence of any such change, all additional financing statements which Mortgagee may require to establish and maintain the validity and priority of Mortgagee's security interest with respect to any of the Collateral described or referred to herein.

14. Fixtures. Some of the items of the Collateral described herein are goods which are or are to become fixtures related to the Property, and it is intended that, as to those goods, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its filing for record. Information concerning the security interest created by this instrument may be obtained from Mortgagee, as secured party, at the address of Mortgagee stated above. The mailing address of Mortgagor, as debtor, is as stated above.

15. Events of Default. If, during the term of this Mortgage:

(a) Default shall be made in the payment of the Secured Indebtedness or any part or installment thereof;

(b) Any warranty, representation or statement made or furnished to Mortgagee by or on behalf of Mortgagor proves to have been false in any material respect when made or furnished; or

(c) A default occurs under the Credit Agreement,

then, in any such event, the entire Secured Indebtedness will, at the option of Mortgagee, become immediately due and payable without notice or demand, which are hereby expressly waived, and this Mortgage may be foreclosed accordingly. In the event of a foreclosure, the court shall direct a sale of the Collateral either with or without appraisal as Mortgagee may elect, said election to be exercised at or prior to the time judgment is rendered. Mortgagee will, upon the filing of a petition to foreclose this Mortgage, be forthwith entitled to and may at once take immediate possession of the Collateral and collect the profits thereof, accrued and to accrue, being liable to account only for those actually received by Mortgagee, or Mortgagee, at its sole option, may have a receiver appointed by the court to

take charge, possession and control of the Collateral, and to receive and collect the profits thereof, accrued and to accrue, under the directions of the court, without the proof required by statute, and any amounts so collected by said receiver will be applied under the direction of the court to payment of any judgment rendered or amount found due upon foreclosure of this Mortgage. In case of foreclosure of this Mortgage, and as often as any proceedings shall be instituted to foreclose same, Mortgagor will pay to Mortgagee a reasonable attorney fee, together with the cost of continuing the abstract of title to the Property to the date of filing such foreclosure, court costs and all other expenses incurred in connection with such proceedings, all of which will be due and payable when suit is filed and will be and become a part of the Secured Indebtedness to be paid or collected in such foreclosure. At its option, Mortgagee may proceed solely or separately against the Security Property or any part thereof upon any default and will be entitled to exercise any or all of the rights and remedies accorded a secured party by the Uniform Commercial Code of the State of Oklahoma, 12A O.S. §1-101 et seq., including, but not limited to, the right to require Mortgagor, upon demand by Mortgagee, to assemble that part of the Collateral constituting personal property and make the same available to Mortgagee at a place convenient to both parties. Any reasonable attorney fee and legal expenses incurred by Mortgagee in taking any such action will be considered part of the reasonable expenses of retaking, holding, preparing for sale and reselling such property within the meaning of 12A O.S. §9-504(1).

16. Other Security. In case the Secured Indebtedness or any part thereof is now or hereafter further secured by chattel mortgages, security interests, pledges, contracts of guaranty, assignments of leases or other security, Mortgagee may, at its option, exhaust any one or more of said securities and the security hereunder, either concurrently or independently, and in such order as it may determine.

17. Subrogation to Prior Liens. If the money loaned or advanced by Mortgagee and secured hereby shall be used to pay off or discharge any lien or encumbrance upon or against the Collateral, Mortgagee, at its option, will be subrogated to all such liens or encumbrances so discharged, satisfied or paid, even though same may be released of record, and to all the rights of the person or persons to whom such payments have been made, and may immediately enforce the same against Mortgagor and the Collateral.

18. Releases. Without affecting or impairing the liability of Mortgagor or any other party, or the priority or efficacy of this Mortgage (except as may be expressly provided in writing signed by Mortgagee) as security for the payment of the Secured Indebtedness and the performance of the obligations herein set

forth, and without affecting any rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of the Note, and without notice or consent:

(a) Release any person liable for payment of all or any part of the Secured Indebtedness, or for performance of any obligation;

(b) Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the Secured Indebtedness or modifying or otherwise dealing with the lien or charge hereof;

(c) Exercise or refrain from exercising or waive any right Mortgagee may have;

(d) Accept additional security of any kind; and

(e) Release or otherwise deal with any property, real, personal or mixed, securing the Secured Indebtedness, including all or any part of the Collateral.

19. No Waiver. No failure by Mortgagee to exercise any option to declare the Secured Indebtedness immediately due and payable will be deemed a waiver of the right to exercise any such option at any other time as to any past, present or future default hereunder, and no delay by Mortgagee in exercising or attempting to exercise any right or remedy hereunder, or otherwise afforded by law, will operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.

20. Governing Law. This Mortgage will be interpreted and enforced according to the laws of the State of Oklahoma, without regard to the place of contract or payment.

21. Change of Ownership. If ownership of the Collateral or any portion thereof becomes vested in a person or persons other than Mortgagor, Mortgagee may deal with such successor or successors in interest with reference to this Mortgage and the Secured Indebtedness in the same manner as with Mortgagor, provided that no such change of ownership is permitted to exist upon the Collateral without Mortgagee's prior written consent.

22. Notices. All notices given pursuant to this Mortgage will be in writing and will be delivered or mailed by United States mail, postage prepaid, addressed as follows:

In case of notice to Mortgagor:

Sand Springs Railway Company
c/o Sheffield Steel Corporation
P. O. Box 218
Sand Springs, Oklahoma 74063
Attn: William C. Schwartz, President

In case of notice to Mortgagee:

Bank of Oklahoma, National Association
P.O. Box 2300
Tulsa, Oklahoma 74192
Attn: National Department

The address of any party hereto may be changed by notice to the other parties hereto given in the manner hereinabove described. All such notices will be deemed given when delivered or mailed as aforesaid.

23. Binding Effect. This Mortgage will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

24. Miscellaneous.

(a) Whenever used herein, the singular will include the plural, the plural the singular, and the use of any gender will be applicable to all genders. If executed in multiple counterparts, each counterpart of this Mortgage so executed will constitute a duplicate original.

(b) The foregoing covenants and conditions being kept and performed, this conveyance shall be void, otherwise to remain in full force and virtue.

(c) The headings of the various paragraphs in this Mortgage are solely for convenience and shall not be relied upon in construing any provisions hereof.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed and delivered on the day and year first above written.

"Mortgagor"

ATTEST:

SAND SPRINGS RAILWAY COMPANY

By Jan D. Yarbrough
Its Secretary

By William C. Schwartz
Its President - CEO

[S E A L]

"Mortgagee"

ATTEST:

BANK OF OKLAHOMA, NATIONAL
ASSOCIATION

By Don Schroeder
Its ASSISTANT CASHIER

By Gay Adams
Its VICE PRESIDENT

[S E A L]

STATE OF OKLAHOMA)
COUNTY OF Tulsa) SS.

The foregoing instrument was acknowledged before me this 10
day of December, 1987, by Wm. C. Schwartz,
Pres. CEO of SAND SPRINGS RAILWAY COMPANY, an
Oklahoma corporation, on behalf of the corporation.

Brenda Brown Austin
Notary Public

My Commission Expires:

10-8-89

STATE OF OKLAHOMA)
) SS.
COUNTY OF TULSA)

The foregoing instrument was acknowledged before me this 10th
day of December, 1987, by Gregory R. Symons,
Vice President of BANK OF OKLAHOMA, NATIONAL
ASSOCIATION, a national banking association, on behalf of the
association.

Anita Cotton
Notary Public

My Commission Expires:
my Commission Expires January 21, 1989

EXHIBIT A

TRACT A:

Part of Section Three (3), Township Nineteen (19) North, Range Twelve (12) East of the Indian Base and Meridian, Tulsa County, State of Oklahoma, according to the United States Government Survey thereof, being more particularly described as follows, to-wit:

BEGINNING at a point on the East line of the SW/4 of said Section 3, 1450 feet South of the center of said Section 3; thence in a Southwesterly direction 1968-1/2 feet to a point 1770 feet South and 660 feet East of the Northwest corner of the SW/4 of said Section 3; thence South 66 feet; thence Northeasterly 1968-1/2 feet; thence North 66 feet to the Place of Beginning.

TRACT B:

BEGINNING at a point on the West line of Lot 7 of said Section 3, 108.5 feet South of the Northwest corner of said Lot 7, said point of beginning being a point on a line parallel with and 10 feet perpendicularly distant in a Northwesterly direction from the center line of West Bound Main Track of Sand Springs Railway Company as now location; Thence N 79° 07' E on a straight line parallel with the center line of said West Bound Main Track, a distance of 67.3 feet to end point of curve to the right; Thence Northeasterly, continuing on a line parallel with the center line of said West Bound Main Track, on a curve to the right, the radius of which is 1442.69 feet and of which the central angle is 14° 41', a distance of 369.3 feet to and intersecting a curved line which is parallel to and 38 feet perpendicularly distant in a Northerly direction from the center line of the East Bound Main Track of said Railway Company as now located; Thence Southeasterly on a line parallel to the center line of said East Bound Main Track, on a curve to the right, the radius of which is 993.37 feet and of which the central angle is 11° 40', a distance of 202.3 feet to end point of curve; Thence S 69° 44' E on tangent to end point of last described curve, on a straight line parallel to and 38 feet perpendicularly distant in a Northerly direction from center line of said East Bound Main Track, a distance of 731.9 feet to and intersecting the South prolongation of the East line of said Lot 7, being a point 377.6 feet South of the Northeast corner of said Lot 7; Thence S 0° 01' E on the South prolongation of the East line of said Lot 7, a distance of 61.83 feet to and intersecting a line parallel with and 20 feet perpendicularly distant in a Southerly direction from the center line of said East Bound Main Track as now located; Thence N 69° 44' W on a straight line parallel to the center line of said East Bound Main Track, a distance of 753.3 feet to the end point of curve to the left; Thence Northwesterly, Westerly and Southwesterly, continuing on a line parallel to the center line of said East Bound Main Track, on a curve to the left, the radius of which is 935.37 feet and of which the central angle is 31° 06' a distance of 507.5 feet to end point of curve; Thence S 79° 10' W, on tangent to end point of last described curve, on a straight line continuing parallel to the center line of said East Bound Main Track, a distance of 111.3 feet to and intersecting the West line of said Lot 7; Thence N 0° 01' W on the West line of said Lot 7, a distance of 48.9 feet to the Point of Beginning.

EXHIBIT "B"

Permitted Encumbrances

Real Estate Mortgage and Security Agreement dated December 10, 1987, recorded in Book 5070 at Pages 618-667 in the records of Tulsa County, Oklahoma.